



**Health Services**  
LOS ANGELES COUNTY

**Los Angeles County  
Board of Supervisors**

**Gloria Molina**  
First District

**Yvonne B. Burke**  
Second District

**Zev Yaroslavsky**  
Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

**John F. Schunhoff, Ph.D.**  
Interim Director

**Robert G. Splawn, M.D.**  
Interim Chief Medical Officer

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213) 240-8101  
Fax: (213) 481-0503

[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)


*To improve health  
through leadership,  
service and education.*



[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

May 30, 2008

**TO:** Each Supervisor

**FROM:** John F. Schunhoff, Ph.D.   
Interim Director

**SUBJECT: MEASURE B FUNDING**

Attached, as requested by Supervisor Yaroslavsky at the April 22, 2008 meeting, is a schedule which reflects the existing allocation of Measure B funds pursuant to the Fiscal Year 2007-08 Board Adopted Budget, and a possible allocation of a potential Measure B rate increase, in Fiscal Year 2008-09 or thereafter, among County and non-County uses.

Based on current projections, if a Measure B rate increase were to be approved based on the cumulative Consumer Price Index (CPI) from July 2003, a maximum of approximately \$45.2 million in additional Measure B revenue could be generated. The allocations on the attached schedule are purely for illustrative purposes as there is no prescribed split between County, public, or private uses. Your Board has discretion to allocate, or retain in reserve, any increase among County, public, and/or private uses in any manner it chooses.

If you have questions or require additional information, please let me know.

JFS:sg (J:\AAWORD\Garcia\Measure B\Board Inquiry - Rate Increase b)  
804:008

Attachment

c: Chief Executive Officer  
Executive Officer, Board of Supervisors

**COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES**  
**TRAUMA PROPERTY ASSESSMENT (MEASURE B) AND RELATED FUNDING**  
(\$ in millions)

<u>Description</u>		<u>Budget FY 2007-08</u>	<u>Federal Matching Funds FY 2007-08</u>	<u>Total Funding FY 2007-08</u>	<u>Potential Measure B Rate Increase</u> (a)	<u>Potential Federal Matching Funds</u>	<u>Potential Total Funding Increase</u>
County Hospitals	(b)	\$ 142.6 (72%)	\$ -	\$ 142.6 (66%)	\$ 32.6 (72%) (c)	\$ -	\$ 32.6 (62%)
Other County Depts	(d)	9.9 (5%)	-	9.9 (5%)	2.3 (5%) (c)	-	2.3 (4%)
Non-County	(e)	44.7 (f) (23%)	17.6 (g) (100%)	62.3 (h) (29%)	10.3 (i) (23%) (c)	7.2 (j) (100%)	17.5 (h) (34%)
<b>TOTAL</b>		<b>\$ 197.2 (100%)</b>	<b>\$ 17.6 (100%)</b>	<b>\$ 214.8 (100%)</b>	<b>\$ 45.2 (100%)</b>	<b>\$ 7.2 (100%)</b>	<b>\$ 52.4 (100%)</b>

(a) Based on the 58-month increase in the medical component of the Western Urban CPI from June 2003 (the base month in which to calculate the cumulative increase from July 1, 2003 in accordance with the Measure B Resolution) through the end of the most recent month, as of this analysis, March 2008, resulting in an adjusted rate of \$0.0372 cents per square foot and approximately \$45.2 million in additional annual Measure B revenue. The Board could increase the rate by any percentage up to this maximum based on the cumulative increases to the medical component of the Western Urban CPI for the above period.

(b) Reflects reimbursement to County hospitals for unreimbursed emergency and trauma care services provided to the indigent population in LA County.

(c) Represents a possible percentage allocation of the potential CPI rate increase based on the FY 2007-08 budgeted distribution of Measure B funding.

(d) Includes administrative costs, bioterrorism preparedness activities, EMS related expenditures, and paramedic air transport services (including services provided by LA City Fire Department).

(e) Includes amounts for private trauma hospitals (PTH), UCLA Medical Center (which is a public entity), non-county physicians and Transitional Capacity Allowance funding for St. Francis Medical Center. The FY 2007-08 Trauma Center Service Agreements include a provision to increase the contract maximum obligation by the percentage change in Measure B revenue generated, i.e. parcel increase, from FY 2006-07 as compared to FY 2007-08. This provision for FY 2007-08 applies only to the claims-based and lump-sum components of the contracts.

(f) Includes \$17.6 million for use as an IGT (intergovernmental transfer) to draw-down Federal Medi-Cal Matching Funds at a 50% rate of Federal Financial Participation (FFP).

(g) Reflects Federal Medi-Cal Matching Funds at a 50% rate of Federal Financial Participation (FFP) which will be received by the Private Trauma Hospitals (PTH) by utilizing Measure B monies as an IGT (intergovernmental transfer) to form the State Share.

(h) Reflects total Non-County Measure B funding and Federal Medi-Cal Matching Funds.

(i) Includes \$7.2 million for use as an IGT (intergovernmental transfer) to draw-down Federal Medi-Cal Matching Funds at a 50% rate of Federal Financial Participation (FFP).

(j) Reflects Federal Medi-Cal Matching Funds at a 50% rate of Federal Financial Participation (FFP) which would be received by the Private Trauma Hospitals (PTH) by utilizing Measure B monies as an IGT (intergovernmental transfer) to form the State Share. The reflected matching rate of 70% (\$7.2M / \$10.3M) is significantly higher than the FY 2007-08 rate of 39% (\$17.6M / \$44.7M) because under the negotiated contract provisions for FY 2008-09 (subject to Board approval), all of the additional Measure B funds allocated to the PTH would be used to increase the IGT and draw-down Federal Medi-Cal Matching Funds while none would be used to increase Claims-Based funding which cannot be matched.